

EP:EO

JUL 9 1982

Gentlemen:

We have considered your application for exemption from Federal income tax as an organization described in Section 501(c)(6) of the Internal Revenue Code.

The information submitted indicates that your organization was formed in its amended form [REDACTED]. Your stated objective in brief include the dissemination of information that will promote harmony and cooperation among building material representatives and retail lumber dealers. Your only activity is the production of a trade show.

Section 501(c)(6) of the Internal Revenue Code of 1954 describes certain organizations exempt from income tax as follows: Business leagues, chambers of commerce, real estate boards, or boards of trade, not organized for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual.

Section 501(c)(6)-1 of the Income Tax Regulations provides in part that, "A business league is an association of persons having some common business interest, the purpose of which is to promote such common interest and not to engage in a regular business of a kind ordinarily carried on for profit... its' activities should be directed to the improvement of business conditions of one or more lines of business as distinguished from the performance of a particular service."

Revenue Ruling 58-224 denies exemption to a similar organization whose sole activity was presenting a trade show for its members products.

We have concluded that a review of your organization's activity to date indicates that your organization does not qualify under Section 501(c)(6) of the Internal Revenue Code. You are required to file Forms 1120.

If you do not agree with these conclusions, you may request Appeals Office consideration. To do this, you must submit to the District Director within 30 days from the date of this letter, a statement of facts, law and arguments, in duplicate, which will clearly set forth your position. You also must state whether you wish an Appeals Office conference. Any

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submission must be signed by one of your principal officers. If the matter is to be handled by a representative, the Conference and Practice Requirements regarding the filing of a power of attorney and evidence of enrollment to practice must be met.

If we do not hear from you within the time specified, this communication will become our determination in the matter.

Very truly yours,

[REDACTED]  
District Director

Enclosure:  
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